

1 AMENDMENT TO SENATE BILL 14

2 AMENDMENT NO. _____. Amend Senate Bill 14, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Pension Code is amended by
6 changing Sections 2-119.1 and 2-126 as follows:

7 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

8 Sec. 2-119.1. Automatic increase in retirement annuity.

9 (a) A participant who retires after June 30, 1967, and
10 who has not received an initial increase under this Section
11 before the effective date of this amendatory Act of 1991,
12 shall, in January or July next following the first
13 anniversary of retirement, whichever occurs first, and in the
14 same month of each year thereafter, but in no event prior to
15 age 60, have the amount of the originally granted retirement
16 annuity increased as follows: for each year through 1971, 1
17 1/2%; for each year from 1972 through 1979, 2%; and for 1980
18 and each year thereafter, 3%. Annuitants who have received
19 an initial increase under this subsection prior to the
20 effective date of this amendatory Act of 1991 shall continue
21 to receive their annual increases in the same month as the
22 initial increase.

1 (b) Beginning January 1, 1990, for eligible participants
2 who remain in service after attaining 20 years of creditable
3 service and have not elected to stop contributing under
4 Section 2-126(e), the 3% increases provided under subsection
5 (a) shall begin to accrue on the January 1 next following the
6 date upon which the participant (1) attains age 55, or (2)
7 attains 20 years of creditable service, whichever occurs
8 later, and shall continue to accrue while the participant
9 remains in service; such increases shall become payable on
10 January 1 or July 1, whichever occurs first, next following
11 the first anniversary of retirement. For any person who has
12 service credit in the System for the entire period from
13 January 15, 1969 through December 31, 1992, regardless of the
14 date of termination of service, the reference to age 55 in
15 clause (1) of this subsection (b) shall be deemed to mean age
16 50.

17 This subsection (b) does not apply to any person who
18 first becomes a member of the System after the effective date
19 of this amendatory Act of the 93rd General Assembly.

20 (c) The foregoing provisions relating to automatic
21 increases are not applicable to a participant who retires
22 before having made contributions (at the rate prescribed in
23 Section 2-126) for automatic increases for less than the
24 equivalent of one full year. However, in order to be
25 eligible for the automatic increases, such a participant may
26 make arrangements to pay to the system the amount required to
27 bring the total contributions for the automatic increase to
28 the equivalent of one year's contributions based upon his or
29 her last salary.

30 (d) A participant who terminated service prior to July
31 1, 1967, with at least 14 years of service is entitled to an
32 increase in retirement annuity beginning January, 1976, and
33 to additional increases in January of each year thereafter.

34 The initial increase shall be 1 1/2% of the originally

1 granted retirement annuity multiplied by the number of full
2 years that the annuitant was in receipt of such annuity
3 prior to January 1, 1972, plus 2% of the originally granted
4 retirement annuity for each year after that date. The
5 subsequent annual increases shall be at the rate of 2% of the
6 originally granted retirement annuity for each year through
7 1979 and at the rate of 3% for 1980 and thereafter.

8 (e) Beginning January 1, 1990, all automatic annual
9 increases payable under this Section shall be calculated as a
10 percentage of the total annuity payable at the time of the
11 increase, including previous increases granted under this
12 Article.

13 (Source: P.A. 86-273; 87-794; 87-1265.)

14 (40 ILCS 5/2-126) (from Ch. 108 1/2, par. 2-126)
15 Sec. 2-126. Contributions by participants.

16 (a) Each participant shall contribute toward the cost of
17 his or her retirement annuity a percentage of each payment of
18 salary received by him or her for service as a member as
19 follows: for service between October 31, 1947 and January 1,
20 1959, 5%; for service between January 1, 1959 and June 30,
21 1969, 6%; for service between July 1, 1969 and January 10,
22 1973, 6 1/2%; for service after January 10, 1973, 7%; for
23 service after December 31, 1981, 8 1/2%.

24 (b) Beginning August 2, 1949, each male participant, and
25 from July 1, 1971, each female participant shall contribute
26 towards the cost of the survivor's annuity 2% of salary.

27 A participant who has no eligible survivor's annuity
28 beneficiary may elect to cease making contributions for
29 survivor's annuity under this subsection. A survivor's
30 annuity shall not be payable upon the death of a person who
31 has made this election, unless prior to that death the
32 election has been revoked and the amount of the contributions
33 that would have been paid under this subsection in the

1 absence of the election is paid to the System, together with
2 interest at the rate of 4% per year from the date the
3 contributions would have been made to the date of payment.

4 (c) Beginning July 1, 1967, each participant shall
5 contribute 1% of salary towards the cost of automatic
6 increase in annuity provided in Section 2-119.1. These
7 contributions shall be made concurrently with contributions
8 for retirement annuity purposes.

9 (d) In addition, each participant serving as an officer
10 of the General Assembly shall contribute, for the same
11 purposes and at the same rates as are required of a regular
12 participant, on each additional payment received as an
13 officer. If the participant serves as an officer for at
14 least 2 but less than 4 years, he or she shall contribute an
15 amount equal to the amount that would have been contributed
16 had the participant served as an officer for 4 years.
17 Persons who serve as officers in the 87th General Assembly
18 but cannot receive the additional payment to officers because
19 of the ban on increases in salary during their terms may
20 nonetheless make contributions based on those additional
21 payments for the purpose of having the additional payments
22 included in their highest salary for annuity purposes;
23 however, persons electing to make these additional
24 contributions must also pay an amount representing the
25 corresponding employer contributions, as calculated by the
26 System.

27 (e) Within 60 days after the later of attaining 20 years
28 of creditable service or attaining age 55 (or within 60 days
29 following the effective date of this amendatory Act of the
30 93rd General Assembly, if that is later), a participant may
31 irrevocably elect to stop making employee contributions under
32 this Section. The election does not affect the person's
33 status as a participant, but a person so electing thereby
34 forfeits the accelerated 3% increases to which he or she

1 would otherwise be entitled under subsection (b) of Section
2 2-119.1.

3 (Source: P.A. 90-766, eff. 8-14-98.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".